पेड़-पौधों की सफाई का प्रारंभिक कार्य शुरू कर दिया गया है ।

(ग) इस मंदिर का संरक्षण कार्य चालू वित्तीय वर्ष के दौरान पूरा हो जाएगा ।

Performance of. s the Visvesvaraya Iron and Steel Limited, Karnataka

*452. SHRI G. Y. KRISHNAN : Will the Minister of STEEL be pleased to state:

(a) whether Government's attention has been drawn to the newsiem captioned Former VISL chief flays SAIL bosese' appearing in the 'Indian Express (Business Express Section)', New Delhi on 28th July, 1993;

(b) if so, what are the facts of the matter reported therein;

(c) the reasons for poor performance of the Visvesvaraya Iron and Steel Limited, Karnataka; and

(d) the steps being taken to bring about improvements in the working of the Steel Plant in the spheres of production quality, product development and customer service and make it a viable Undertaking?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir.

(b) The "Indian Express" carries a news item reportedly made by Shri Amit Mazumdar, Ex-Executive Director of VISL, after he had gone on retirement. The points raised in the news item are alleged stp-mothrely treatment meted out to VISL by Steel Authority of India Limited (SAIL), quitting of half a dozen top executives of SAIL, profits of SAIL at Rs. 1200 crores, implementation of the scheme of blast furnace in VISL, high cost of power, improvement in marketing and liquidity problem.

According to SAIL the factual position on the above points are as under:—

(i) Capital expenditure allocation for the VIII Plan for VISL is Rs. 125 crores. Against this SAIL had already gien Rs. 61.25 crores. In the curren' year 1993 94 SAIL has spent over Rs. 25 crores in the first four months itself. The total expciediture for the whole °f VIII Plan is expected to be Rs. 149 crores.

(ii) Only one officer has taken voluntary retirement and another officer has reslgnsd in the recent past for better prospeo's.

(iii) Budgetted profit for SAIL for the year 1992-93 was Rs. 138 crores against which SAIL's actual profit was Rs. 423.40 crores. Other figures in the news item are not correct and are infact irrelevant.

(iv) The statement regarding Blast Furnace Project of VISL in the news item is not cerrect. This project is to be completed by March, 1994.

(v) It is a fact that power cost has affected the profitability of VISL adversely. It has increased from Rs. 0.99 per unit in August, 1989 to Rs. 2.21 per unit on 1st August, 1993

(vi) Shri Mazumdar has claimed that marketing thrust was lacking at VISL which got a boost on his taking over as Chief Executive. It is worth mentioning that VISL is primarily an alloy and special steel productng Company. Whereas VISL produced 58,829 tonnes of alloy and special steels during 1991 it came down to 54.376 tonnes in 1991-92 and further came down to 45,614 tonnes in 1992-93. Despite restricting the production of alloy and special steels the outstanding receivables by the Company had simultaneously increased during the tenure of Shri Mazumdar. Thus lower sales coupled with improper financial management put the Company into serious liquidity position. Infact, had SAIL not supported VTSL in nroviding captive market for 100 of its ferro-silicon production, VISL would have been put

into further adverse liquidity crunch. Despite low production, during she year 1992-93, VISL ended up with 12,358 tonnes of unsold stock of alloy and special steel.

(c) The performances has been adversely affected particularly in 1992-93 because of steep power cuts imposed by Karnataka Electricity Board during peak hours restricting VISL's load to only 25 per cent of its requirement. Further, there were steep and frequent hikes in power tariff. The power tariff at the tims of takeover was 99 paise per unit, which was increased to Rs 1.35 per unit in October, 1990 and to Rs. 1.90 per unit in August, 1992. The power tariff has further been increased by 12 per cent with effect from let August, 1993.

Despite the above constraints the performance of VISL, improved considerably after is takeover by SAIL in August, 1989 as can be seen from the table below:—

Performance of VISL

Production ('000 tonnes)	1988-89 Before takeover	1992-93 After takeover
Mild Steel.	0.1	27.06
Alloy and special steel	40.7	45.6
Saleable Steel	40.8	73.20
Ferro Silicon	10.9	18.7
Financial (Rs. in crores)		
Turnover	92.05	200.37
Gross Margin—	(—) 7.66	0.95
Cash Profit (+)/Loss(—)	(—)23.17	(—) 4.19
Net Profit (+)/Loss(—)	(—)26.22	(—) 8.39

(There was *cash* profit after takeover i.e. from 1989-90 and upto 1991-92).

(d) Immediately, after takeover SAIL drew short term and long term plans to revive the plant Some of the modernisation/ up-gradation schemes which have already been implemented are installation of ladle Refining Furnace and up-gradation of a 20 tonne Electric Arc Furnace. Some of the ongoing capital schemes are installation of a 530 cubic metre Blast Furnace, Modernisation of Ferro Silicon Furnaces etc. In addition, operational improvements are being brought about by strict adherence to technological discipline, better maintenance practices and appropriate cost reduction measures. The present focus is stepping up the tournover through increased production of higher value items. VISL has strengthened its marketing base and are maintaining better interaction with, the customers, attending to their complaints promptly etc.